

AN ECONOMIC AND PURPOSE CLASSIFICATION OF ASSAM GOVERNMENT BUDGET 1977-78



**ISSUED BY
THE DIRECTORATE OF ECONOMICS
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PREFACE

This publication presents for the first time 'economic' and 'economic-cum-purpose' classification of Assam Government Budget, 1977-78. So far, only economic classification of the budget was being done. Part I presents the economic classification showing the State Government receipts and expenditure by economic categories significant for assessment of the effects of Government transactions on the economy. Part II shows the purpose classification dealing with the State Government expenditure by purpose categories meaningful for analysing the allocation of Government revenue. Part III presents a combined economic-cum-purpose classification of the State Government expenditure in a two-way table.

Some of the important findings of the economic classification are discussed in Part I of the study. It will be seen that Government of Assam provides towards gross capital formation a sum of Rs. 7199 lakhs in the budget estimates for 1977-78 as against the revised estimates of Rs. 4162 lakhs for 1976-77 and actual expenditure of Rs. 3246 lakhs in 1975-76; out of these Sums of Rs. 3106 lakhs, Rs. 2598 lakhs and Rs. 2210 lakhs respectively constitute gross capital formation by Government of Assam while the residual sums of Rs. 4093 lakhs, Rs. 1563 lakhs and Rs. 1036 lakhs relate to financial assistance for capital formation to the rest of the economy in the respective years. In other words, Government is playing an increasing role in adding to the capital formation in the State.

The findings of the Purpose Classification discussed in Part II will reveal that in 1975-76 and 1976-77 the expenditure under each of the purpose groups 'Social and Community Services' and 'Economic Services' comprised about one third of total expenditure, while General Services account for one fourth in 1977-78 the proportion of budgeted expenditure for 'Economic Services' is much higher (42 per cent) than that for 'Social and Community Services' (28 per cent) owing to increased allocation for power.

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INTRODUCTION

Under the Provision of Article 202(1) of Constitution of India the State Government is required to prepare its budget every year and present it to the State Legislature. It is called the 'Financial Statement' of the Government which contains the receipts and expenditure under prescribed heads of account. It relates to the actuals for the preceding year, revised estimates for the current year and budget estimates for the ensuing year.

2. The detailed estimates of expenditure are presented to the Legislature for voting in form of 'Demands for Grants' for various Departments. Each Demand gives the gross expenditure and recoveries from other Government departments and from various organisations and funds at disposal of the Government. The recoveries are deducted from the gross expenditures for deriving net expenditure shown in the Financial Statement.

3. The system of classification of receipts and expenditures in the budget is intended primarily to cater to the needs of legislative control, administrative accountability and auditing and is adequate so far as these needs are concerned. But, from the stand point of assessment of the economic and functional significance of the Government transactions and their impact on the rest of the economy this system is not sufficient as will be seen from the discussions in the following paragraphs.

4. First, the functions of all Government departments do not bear the same economic significance. Also, all transactions by these departments do not have similar impact on the State's economy. The current transactions of the Government Commercial Departments are similar in nature to those of producers and the purely administrative departments to those of consumers. The current receipts of the former comprise sale proceeds of goods and services supplied to the rest of the economy while purely administrative departments have little or no income of their own. The current expenditures of commercial departments including wages and salaries are intermediate expenditures forming cost of production of goods and services supplied. These are different in character from the current expenditures on wages and salaries and other goods and services by the administrative departments which represent final expenditure for consumption.

5. Again, both the revenue expenditure and capital outlay represent final expenditures on goods and services as well as expenditures which are of the nature of mere transfers to others. Current transfers are intended to add to the incomes of the private and other non-Government sectors and as such it is different in nature from Governments' direct expenditure on goods and services. Capital grants are outright transfers which add to the investible resources of the general community. All these have, therefore, to be isolated and grouped under separate heads.

6. Aside from the kind of economic activity, the purposes for which the Government activities are carried on under the different departmental heads is also manifold. The purpose of activity of, say, the Police department is distinctly different from that of the departments of education or health. Again, while some departments of a Government may render a single major kind of service, others may carry on more than one major kind of activity in order to serve a single major purpose. For example, the department of health may in addition to rendering public health services also operate medical schools and colleges, the immediate purpose of which is educational. The re-classification of Government expenditure by specific purposes served thus becomes necessary for assessment of their relative magnitude as well as effect on the life of the community.

7. The Economic and purpose Classifications of Assam Government Budget are combined in a two way cross classification by significant economic and purpose groups. The three types of classifications are presented in Part I, Part II and Part-III respectively.

(II)

PART I

ECONOMIC CLASSIFICATION

A. The Frame Work :

The frame work of Economic Classification of Assam Government Budget 1977-78 presented in this study is based on delineation of budgetary transaction a set of six accounts as follows :

Account 1—Transactions in goods and services and transfer :—current Account of Assam Government Administration.

Account 2—Transactions in goods and services and transfer :—current Account of Departmental Commercial Undertakings of Assam Government.

Account 3—Transactions in goods and services and transfers : Capital Account of Assam Government Administration and Departmental Commercial Undertakings.

Account 4—Changes in financial assets :—Capital Account of Assam Government Administration and Departmental Commercial Undertakings.

Account 5—Changes in financial liabilities :—Capital Account of Assam Government Administration and Departmental Commercial Undertakings.

Account 6—Cash and capital Reconciliation Account of Assam Government Administration and Departmental Commercial Undertakings.

2. The details of the classification scheme have been stated in the notes on the Accounts that follows : To sum up, Account 1 relates to Government consumption expenditures and current transfers to others. On the receipt side of the Account are recorded the transfer of private income by way of taxation and the like and investment income of the Government.

Account 2 Constitutes the operating account of the Departmental Commercial Undertakings and gives the components of the costs and returns on account of sale of good and services produced by these concerns. **Account 3** shows the capital outlays and capital transfers each group broken down into meaningful components. **Account 4** is concerned with transactions leading to net increase in financial assets of the Government and shows their break up into investment in shares, loans for capital formation, other loans and repayment of loans. **Account 5** and **6** show the manner in which Government draw upon private savings and loans from the Central Government and Reserve Bank of India to meet the net requirement for financing transactions under the preceding four account.

B The Set of Accounts :

The set of six accounts showing the reclassified transactions relating to Assam Government Budget 1977-78 are set out below :

ACCOUNT I

TRANSACTIONS IN GOODS AND SERVICES AND TRANSFERS: CURRENT ACCOUNT OF ASSAM GOVERNMENT ADMINISTRATION

(Rs. Lakhs)

Expenditure	1975-76		1976-77		1977-78		1975-76		1976-77		1977-78	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Consumption Expenditure	10171.05	19228.18	14220.93	6. Tax Revenue	9636.93	9642.96	10126.71					
1.1 Salaries and wages	4181.10	6546.45	6899.09	6.1 Direct taxes	3612.46	3097.00	3231.20					
1.2 Pensions	163.20	185.40	193.43	(a) State share of central taxes	1864.61	1611.00	1702.00					
1.3 Goods and Services	6087.23	6670.95	7352.04	(b) State taxes	1747.85	1486.00	1529.20					
1.4 Less sale of goods and services	(-200.48)	(-174.02)	(-223.51)	6.2 Indirect taxes	6023.87	6545.36	6895.51					
2. Transfer Payments	7227.43	6447.59	6365.61	a. State's share of central taxes	2270.05	2587.00	2742.00					
2.1 Interest	2495.04	2830.00	2400.00	(b) State taxes	3753.81	3958.36	4153.51					
2.2 Current grants to -	523.40	599.95	406.62	Income from Property and Entrepreneurship	823.17	1545.15	2203.13					
(a) Local bodies	2993.40	1914.58	1871.53	Operating Surplus of departmental commercial undertakings	200.35	149.17	14.79					
(b) Educational Institutions				7.2 Income from investment	4.91	5.00	5.00					
(c) Others	296.05	306.04	519.76	7.3 Interest from departmental commercial and financial undertakings								
2.3 Subsidies	151.82	565.10	338.00	7.4 Interest from non-departmental commercial and financial undertakings	3.44	12.00	209.00					
2.4 Scholarships	54.23	347.74	157.00	7.5 Other interest receipt	165.66	103.05	121.00					
2.5 Other current transfers	188.47	184.18	172.07	7.6 Other income from property	449.21	1275.93	1853.34					
3. Provision for depreciation				8. Transfer from households	1056.09	452.87	727.03					
4. Savings on current Account	1163.17	64.22	54.35	9. Revenue grants and contribution from centre	7045.76	7393.17	8077.14					
5. Total	18561.65	19033.55	21134.02	10. Total	18561.65	19033.55	21134.02					

ACCOUNT II

TRANSACTIONS IN GOODS AND SERVICES AND TRANSFERS CURRENT ACCOUNT OF STATE GOVERNMENT DEPARTMENTAL ENTERPRISES

(Rs. Lakhs)

Disbursement	1975-76 Actual	1976-77 Revised	1977-78 Budget	Receipts	1975-76 Actual	1976-77 Revised	1977-78 Budget
1	2	3	4	5	6	7	8
1. Purchase of commodities and services (including repair and maintenance,	306.59	367.21	549.91	6 Output of goods and services	648.40	592.59	687.22
2. Compensation of Employees (including pensions)	300.41	333.43	402.17	7 Other receipts	52.27	94.03	58.23
				8 Subsidies	106.68	164.69	222.92
3. Consumption of fixed capital		1.50	1.50				
4. Operating surplus	200.35	149.17	14.79				
5. Total	807.35	851.31	968.37	9 Total	807.35	851.31	968.37

ACCOUNT III

TRANSACTIONS IN GOODS AND SERVICES AND TRANSFERS CAPITAL ACCOUNT OF ASSAM GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS (Rs. lakhs)

Disbursement	1975-76 Actual	1976-77 Revised	1977-78 Budget	Receipts	1975-76 Actual	1976-77 Revised	1977-78 Budget
1	2	3	4	5	6	7	8
1. Capital formation	2209.91	2598.13	3105.84	4. Gross Savings	1163.17	(--)(640.72)	548.85
1.1 Building and other construction	1911.22	2137.11	2572.44	4.1 Savings on current account of Govt. administration	1163.17	(--)(642.22)	547.35
(a) New outlay	1911.22	2137.11	2572.44	4.2 Provision for depreciation of govt. administration & DCU	--	1.50	1.50
(b) Renewal and Replacement	--	--	--	4.3 Retained profits of departmental commercial undertakings	--	--	--
1.2 Machinery and Equipment	282.72	397.82	450.40	5. Capital Transfers	874.23	839.70	1146.70
(a) New outlay	282.72	396.32	448.90	5.1 Estate duty	20.93	22.00	20.00
(b) Renewal and Replacement	--	1.50	1.50	5.2 Capital grants, contribution and recoveries from union and other State Government	851.15	817.05	1125.45
1.3 Net increase in inventories	15.97	63.20	83.00	5.3 Other capital receipts	2.15	0.65	1.25
(a) Workstores	15.97	63.20	83.00	5.4 Balance Deficit on all transactions in goods & Services and transfers	172.51	2417.15	1805.03
(b) Stock of food, fertilizer etc.	--	--	--				
2. Capital transfers	--	18.00	394.74				
2.1 Capital grants to	--	--	4.00				
(a) Local bodies	--	--	--				
(b) Educational Institutions	--	18.00	390.74				
(c) Others	--	--	--				
3. Total	2209.91	2616.13	3500.58	7. Total	2209.91	2616.13	3500.58

ACCOUNT IV

CHANGES IN FINANCIAL ASSET; CAPITAL ACCOUNT OF ASSAM GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS

Outgoes	(Rs. Lakhs)						
	1975-76 Actual	1976-77 Revised	1977-78 Budget	Incomings	1975-76 Actual	1976-77 Revised	1977-78 Budget
1	2	3	4	5	6	7	8
1. Investment in shares	347.66	408.76	270.31	4. Repayment of loans	470.01	579.31	469.47
1.1 Government concerns	184.35	135.66	30.54	5. Balance : Net increase in financial assets	994.04	1144.86	3490.44
1.2 Co-operative concerns	161.97	173.10	20.85				4
1.3 Other concerns	1.34	—	30.00				
2. Loans and advance	1116.39	131.41	3689.52				
2.1 For capital formation	688.21	1135.79	347.54				
2.2 For current consumption	428.18	179.62	261.98				
3. Total	1464.05	1724.17	3959.91	6. Total	1464.05	1724.17	3959.91

ACCOUNT—V

(CHANGES IN FINANCIAL LIABILITIES: CAPITAL ACCOUNT OF ASSAM GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS) (Rs Lakhs)

Outgoing	1975-76 Actual	1976-77 Revised	1977-78 Budget	Incoming	1975-76 Actual	1976-77 Revised	1977-78 Budget
1	2	3	4	5	6	7	8
1. Repayment of public debt.	1602.76	2042.60	2156.12	4. Public debt.	4636.22	4910.55	6802.22
1.1 Permanent debt		312.91	314.52	4.1 Permanent debt	838.09	830.75	990.00
1.2 Central Government loans	1574.31	1700.56	1807.07	4.2 Loans from central Government	3755.10	4003.80	5708.22
1.3 Other loans	28.45	29.13	34.53	4.3 Other loans	23.03	76.00	104.00
2. Balance : Net increase in financial liabilities	(—) 1010.29	4993.62	5307.78	4.4 Floating debt (Net)	—	—	—
				5. Unfunded debt (Net)	194.09	180.00	187.00
				6. Inter-state settlement (Net)	(—) .01	—	9.00
				7. Cash balance investment (Net, accounts)	(—) 3151.72	1729.76	115.00
				8. Other debt (Net)	(—) 1086.11	215.91	350.68
3. Total	592.47	7036.22	7463.90	Total	592.47	7036.22	7463.90

ACCOUNT—VI

(CASH AND CAPITAL RECONCILIATION ACCOUNT OF ASSAM GOVERNMENT ADMINISTRATION AND DEPARTMENTAL COMMERCIAL UNDERTAKINGS)

(Rs. Lakhs)

Outgoings	1975-76		1976-77		1977-78		1978-79		1979-80	
	Actual	Revised	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
1	2	3	4	5	6	7	8	9	10	11
1. Deficit on all transactions in commodities and services and transfers : Balancing item of Table III	172.51	2417.15	1805.03	5	1010.29	4993.62	530.78			
2. Net increase in financial assets ; Balancing item of Table IV	994.04	1144.86	3490.44							
3. Increase in Cash Balance	...	1431.61	12.31	6. Decrease in Cash Balance	2176.84	..	...	
4. Total	1166.55	4993.62	5307.78	7. Total	1166.55	4993.62	5307.78			

C. Some Major Findings

5. Some of the important magnitudes emerging from the analysis of the State Government budgetary transactions are.

- (a) Total expenditure—
- (b) Capital formation out of budgetary resources.
- (c) Savings ;
- (d) The different measures of deficit .
- (e) Net profits of departmental commercial undertakings ; and
- (f) Income generation by the State Government

Total expenditure

6. The total expenditure of the State Government excluding operating expenses of Departmental Commercial Undertakings and repayment of public debts and loans increased from Rs. 21072 lakhs in 1975-76 (actuals) to Rs. 24016 lakhs in 1976-77 (revised) and further to Rs. 28047 lakhs in 1977-78 (budget). The distribution of total expenditure by major types is shown in Statement 1

STATEMENT—1

				(Rs. Lakhs)
Items	1975-76 (Actuals)	1976-77 (Revised)	1977-78 (Budget)	
(1)	(2)	(3)	(4)	
1. Final Outlays	12380.96	15826.31	17326.82	
(a) Government Consumption Expenditure (account I) ..	10171.05	13228.18	14220.98	
(b) Gross Capital Formation (account III)	2209.91	2598.13	3105.84	
(i) Gross fixed capital formation	2193.94	2534.93	3022.84	
(ii) Increase in inventories. ..	15.97	63.20	83.00	
2. Transfer payments to the rest of the country	7227.43	6465.59	6760.43	
(a) Current transfer (account I) ..	7227.43	6447.59	6365.69	
(b) Capital transfers (account III) ..	—	18.00	394.74	
3. Financial investments and loans to the rest of the economy (account IV)	1464.05	1724.17	3959.91	
4. Total expenditure (1+2+3) ...	21072.44	24016.07	28047.16	

Final Outlays

7. On the total expenditure of Rs. 28047 lakhs budgeted for the year 1977-78, Rs. 17327 lakhs or 6.7 per cent constitute final outlays of Assam Government. This expenditure represents State Government's direct demands for goods and services for consumption and capital formation. The rest of the expenditure amounting to Rs. 10720 lakhs or 38.3 per cent constitute disbursements by way of transfer payments, financial investments and loans to the rest of the economy and is intended to supplement current and capital receipts of other sectors.

Gross Capital Formation

8. The gross Capital formation of the State Government is seen to have gone up from Rs. 2210 lakhs in 1975-76 to Rs. 2598 lakhs in 1976-77 and further to Rs. 3106 lakhs in 1977-78. The gross fixed capital formation budgeted at Rs. 3023 lakhs for 1977-78 shows an increase of 19.2 per cent over 1976-77 (revised) and 37.7 per cent over 1975-76 (actual).

Financial Assistance for Capital Formation.

9. The State Government also provides financial assistance to the rest of the economy for Capital formation through grants, loans and investments in shares. The financial assistance rises from Rs. 1036 lakhs in 1975-76 (actuals) to Rs. 1563 lakhs in 1976-77 (revised) and is expected to rise further to Rs. 4093 lakhs in 1977-78 (budget). The allocations of this assistance are shown below.

STATEMENT 2

(Rs. lakhs)			
Item	1975-76 (Actuals)	1976-77 (Revised)	1977-78 (Budget)
(1)	(2)	(3)	(4)
1. Grants for Capital formation ..	—	18.00	394.74
(a) Local bodies (account III) ..	..	...	4.00
(b) Educational Institutions (account III) ...	—	—	—
(c) Others (account III) item 2.1 c	—	18.00	390.74
2. Investment in shares. ..	347.66	408.76	270.39
(a) Government Concerns (account IV)	184.35	235.66	30.54
(b) Co-operatives (account IV) ..	161.97	173.10	209.85
(c) Others (account IV) ...	1.34	—	30.00
3. Loans and advances for Capital formation (account IV)	688.21	1135.79	3427.54
4. Total financial assistance for Capital formation.	1035.87	1562.55	4092.67

10. Gross Capital Formation out of the Budgetary Resources of the State Government.

The State Government in total provides Rs. 7199 Lakhs towards gross capital formation during 1977-78 (budget). The revised estimates for 1976-77 places it at Rs. 4161 lakhs while the actuals for the year 1975-76 was Rs. 3246 lakhs. The break down of this total provision into gross Capital formation in the State Government Sector and financial assistance for gross Capital formation to the rest of the economy is as follows.

STATEMENT 3

(Rs. Lakhs)			
Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Gross Capital formation by Government of Assam.	2209.91	2598.13	3105.84
2. Financial assistance for Capital formation to the rest of the economy	1035.87	1562.55	4092.67
3. Gross Capital formation out of the budgetary resources of Assam Government.	3245.78	4160.68	7198.51

Net Capital Formation

11. Net capital formation by the State government (i/c net addition to the stock of fixed assets and inventories) is budgeted at Rs.3104 lakhs for 1977-78. This had amounted to Rs.2597 lakhs in 1976-77 (revised) and Rs.2210 lakhs in 1975-76 (actual). The net addition to the stock of fixed assets is arrived at by deducting from gross fixed capital formation, the provision for expenditure on renewals and replacements made for the departmental commercial undertakings.

STATEMENT 4

(Rs. Lakhs)			
Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Construction works (account III item 11 (a))	1911.22	2137.11	2572.44
2. Machinery and equipments (account III item 12 (a))	282.72	396.32	648.90
3. Increase in inventories (account III item 13)	15.97	63.20	83.00
4. Net capital formation by the Govt. of Assam (1+2+3)	2209.91	2596.63	3104.34

Savings

12. Gross savings comprise current savings of the State Government and depreciation provision of departmental commercial undertaking. Net savings by government are equal to gross savings less expenditure on renewals and replacements. The position of savings is shown in Statement 5.

STATEMENT 5

(Rs. Lakhs)			
Items	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Current savings of Government	1206.87	(-) 610.69	593.28
2. Depreciation and insurance provision of departmental commercial undertakings		1.50	1.50
3. Gross savings by Government	1206.87	(-) 609.19	594.78
4. Expenditure on Renewal and Replacement	—	1.50	1.50
5. Net savings	1206.87	(-) 610.69	593.28

Current Receipts

13. The current receipts of the Government of Assam have increased from Rs.18562 lakhs in 1975-76 to Rs.21134 lakhs in 1977-78. In order to get an idea of the economic implications of the government budget receipts from major sources are shown in Statement 6.

STATEMENT - 6

(Rs. Lakhs)			
Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Tax Revenue	9636.33	9642.36	10126.71
2. Revenue grants and contributions from Centre	7045.76	7393.17	8077.14
3. Income from departmental commercial undertakings	200.35	149.17	14.79
4. Rent, interest and other income receipts	1679.21	1848.85	2915.35
Total	18561.65	19033.55	21134.02

Deficit

14. The excess of net capital formation over the net savings constitutes income deficit of the State Government which is shown in Statement 7.

STATEMENT 7

(Rs. Lakhs)			
Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Net capital formation (i.e. net investment) by the State Government	2209.91	2596.63	3104.34
2. Net savings by the State Government	1206.87	(-) 610.69	593.28
3. Income deficit of the State Government (1 - 2)	1003.04	3207.32	2511.06

15. The deficit shown in Statement 7 is the gap to be filled up by the State Governments' borrowing. Another measure of deficit is provided by the sum of balancing items in account 3 and 4. This deficit indicates total requirement of finance for the State Governments operations and is given in statement 8.

STATEMENT 8

Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Deficit on all transactions in commodities and services and transfers (Vide balancing item in account III)	172.51	2417.15	1805.03
2. Net increase in financial assets (Vide balancing item in account IV)	994.04	1144.86	3490.44
3. Deficit denoting total requirements of finance (1 + 2)	1166.55	3562.01	5295.47

16. The financing of the above deficit is indicated in statement 9

STATEMENT 9

		Rs. Lakhs		
Item		1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1		2	3	4
1. Net Borrowing	(—) 1010.29	4993.62	5307.78	
1.1. Permanent debt (net)	858.09	517.84	675.48	
1.2. Loans from Central Govt (net)	2180.79	2303.24	3901.15	
1.3. Other loans (net)	(—) 5.42	46.87	69.47	
1.4. Unfunded debt (net)	194.09	180.00	187.00	
1.5. Inter State settlements cash balance investment, account and other debt (net)	(—) 4237.84	1945.67	474.68	
2. Deficit Financing	2176.84	(—) 1431.61	(—) 12.31	
2.1. Floating debt (net)	...	...	...
2.2. Withdrawal from cash balance,	2176.84	(—) 1431.61	(—) 12.31	
3. Total (1 + 2)	1166.55	3562.01	5295.47	

17. Net Profit of Departmental Commercial Undertakings.

Net profit of the Departmental Commercial Undertakings i.e., the excess of gross receipts over operating expenses shows the financial position of the undertakings. These are transferred to Government administration. Statement 10 shows the net profit of the undertakings.

STATEMENT 10

		(Rs. Lakhs)		
Item		1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1		2	3	4
1. Gross sale proceeds (account II)	807.35	851.31	958.37	
2. Operating expenses (account II)	607.00	702.14	953.58	
3. Net profit (1-2) transferred to current account of Government administration.	200.35	149.17	14.79	

14. Contribution to Income Generation.
The economic classification also brings out the generation of income out of budgetary operations of the State Government for the years under review as shown in statement II

STATEMENT II			
	1975-76 (Actual)	1974-75 (Revised)	1977-78 (Budget)
1. Compensation of employees including pensions of administration (account I)			
	4344.30	6731.85	7097.52
2. Net output of Departmental Commercial Undertakings			
	500.76	482.60	416.96
(a). Wages and Salaries.			
	300.41	333.43	402.17
(b). Operating Surplus.			
	200.35	149.17	14.79
3. Wages and Salaries component construction outlay (a)			
	657.07	712.37	857.48
4. Total (1+2+3)			
	5482.13	7926.82	8366.96

(a) 100% of the total expenditure on construction shown in account 3 is included in this statement. The balance of the expenditure on construction is included in account 4.

D.—Notes on the Accounts. Their Derivation and Rationale

Account 1—Transaction in goods and services and transfers: current Account
This account relates to the current receipts and expenditure of Government administrative departments. The current expenditure comprises final outlays and transfers payments. The final outlays are in charge of the departments and represent direct consumption by the Government administrative departments. The transfers payments include grants, scholarships and subsidies to the rest of the economy which add to the disposable income of the community. To meet all these expenditures the Government appropriates a part of the income of community by way of a variety of taxes and other administrative receipts like fees etc. Besides Government earns income investments, from its ownership of enterprises and properties as well as revenue grants, contributions etc. from Union Governments and rest of the world. The surplus of the receipts over the current expenditures and transfers constitute savings of Government administration available for capital formation.

Item 1.1—Wages and salaries comprise remuneration in cash of State Government employees such as pay of officers, pay of establishments, allowances, honoraria other than travelling allowances recorded under the two standard objects of expenditure salaries and wages. This item also includes contribution to provident fund. The payment of wages in kind like supply of free rations, liveries to fourth grade employees and police personal etc. should also have been included under this head, but since in the budget such expenditure are included under the head, office expenses together with other office expenses these could not be shown here.

Item 1.2—Pension payments have been considered as final expenditure i.e. as compensation of employees. It includes gratuity and commuted value of pensions but excludes family pension, Political pensions and pensions awards for distinguished services.

Item 1.3. Goods and services include all expenditure under contingency, travelling allowance, entire expenditure on maintenance and repairs and all other miscellaneous expenditures unclassifiable elsewhere.

Item 1.4. The administrative departments of the Government are similar to those of consumer spending a part of the national income on behalf of the community. They do not finance their cost of operation by the meeting an economic demand in the open market by willingness of the people to pay for what the agency has to offer sales by administrative departments of miscellaneous commodities like products of agricultural experimental farms, jail products, Government publications etc. are not therefore considered as commercial activities such sales are treated here as deduction on Government expenditure similarly, the recoveries by the State Government from the Central Government other Government and authorities on account of Service done on their behalf have been treated as sale of service.

Item 2.1. Interest payment comprises interest on Public debt and other obligations and interest on loans from the Central Government.

Item 2.2. Current grants have been classified according to the types of institutions to which the transfer payments flow viz local bodies, educational institutions and others. The last item includes grants-in-aids and contributions under medical and public health co-operative and industries for meeting current expenses and civil works for current expenses like maintenance.

Item 2.3 Subsidies are grants to private enterprises to enable them to sell their produce at concessional rates enforced by Government.

Item 2.4 Scholarships are grants made by Government to students for educational purposes.

Item 2.5 Other current transfers include territorial and political pension, family pensions, pensions and awards for distinguished services, donations to charitable institutions, miscellaneous unforeseen charges, famine relief and all other miscellaneous transfers of current nature excluding transfers to Governments' own funds.

Item 3 Provision for depreciation is shown as nil in the budget statements.

Item 4 Savings on current account represent excess of current receipts over current expenditures.

Item 6.1 Direct taxes,

(a) States' share of central taxes relates to net proceed of income tax and Estate duties assigned, to the State.

(b) State taxes refer to agricultural income tax receipts net of refunds land revenue and tax on professions, trades, callings and employments.

Item 6.2 Indirect taxes.

(a) States' share of central taxes constitutes share of union excise duties.

(b) State taxes refer to state excise duties, taxes on motor vehicles, stamp duties, sale tax, taxes and duties on electricity, taxes on luxuries including taxes on entertainment, amusements, betting and gambling, and tax on passengers and goods.

Item 7.1. profit transferred by departmental commercial undertakings represent excess of revenue over expenditure in the current account of departmental commercial undertakings.

Item 7.2: Income from investment are dividends on investment by the State Government in Government (non departmental) and other concerns.

Item 7.3. Interest transferred from the current account of departmental commercial undertakings.

Item 7.4. Interest from non-departmental commercial undertakings relate to interest receipts from Government undertakings which are not departmentally run like Assam State Electricity Board.

Item 7.5. Other interest receipts are interest from loans to Government Schemes

Item 7.6. Other income from property relates to income from P. W. D.

Item 8 Transfers from households include certain payments made by households and private non-profit institutions to State Government for regulatory and social service charges relating to activities and services for which there is no parallel in private sector. These include collection of payments for services rendered. Examples of such charges are birth, death and marriage registration fees, court fees, fines and penalties etc which are shown under different revenue heads of the budget statements.

Item 9 Revenue grants, contributions and recoveries are current transfers receipts accruing from the Union Government, central Institutions etc.

Account 2. Transactions in Goods, Services and Transfers : Current Account of Departmental Commercial Undertakings of Assam Government.

For this classification, Milk supply, Water transport, Forest, Government Press and Irrigation have been treated as Departmental Commercial Undertakings of Assam Government. The production account of Departmental Commercial Undertakings shows the productive activities of the undertakings. Revenue side comprises output of goods & services other receipts and subsidies. On the expenditure side the entries are purchase of commodities and services including repair and maintenance compensation of employees including pensions and allowances for consumption of fixed capital (depreciation). Operating surplus is the excess of value added plus other receipts plus subsidies over total expenditures. Loss incurred in the case of irrigation (project) is treated as subsidies. Losses incurred (if any) in the case of other undertakings are not treated as subsidies.

Account 3. Transactions in Goods and Services and Transfers : Capital Account of Assam Government Administration and Departmental Commercial Undertakings.

This account is related to total capital outlay depicting physical assets formation by Administrative and Departmental Commercial Undertakings and transfer payments for capital formation in the rest of the economy. The receipt side of the account shows the sources of finance for capital formation. Capital transfers are intended to assist capital formation by the recipient, where as current transfers represent addition to disposable income of the same. The balancing item representing difference between Government Savings and Government Capital formation measures the net change in Governments' financial claims against the rest of the economy.

Item 1-1. Buildings and other constructions include all expenditures on original work for construction of buildings, roads, bridges, flood control done by the P.W.D. and other departments as well as expenditure on reclamation of land and plantation and extension of forest. The entire expenditure on construction and machinery and equipment by Government administration is shown as 'new outlay' since no provision for depreciations for these assets is made in the budget. The renewals and replacements relate to expenditure from Depreciation, Reserve Fund of Assam Government press. Since the expenditure is not shown separately for construction and machinery and equipment the entire expenditure is presumed to be on machinery and equipment is shown there-under.

Item 1-2. Machinery and equipment represent expenditure on tools and plants by P.W.D, public health, forest etc and purchase of vehicles. Purchase of departmental vehicles by other administrative department is not included as the same is considered as consumption expenditure under Account 1. The expenditure for renewals and replacements relates to Assam Government press.

Item 1-3. Net increase in inventories of work stores includes net increase in stock of building and other construction materials bought by P.W.D, Public health and Irrigation Department.

Item 2.1. Capital grants to (a) local bodies, (b) educational institutions and (c) others include grants given for construction of buildings, roads and other physical assets by Government to each of these bodies.

Item 2.2. Other capital transfers include compensation to land holders on the abolition of Zamindari System and other compensation to land-lords for acquisition of land under various acts.

Item 4. Amounts under gross savings have been transferred from the Accounts 1&2

Item 5. Estate duty is the share of the central tax collected under this head.

Account 4 Changes in Financial Assets: Capital Account of Assam Government Administration and Departmental Commercial Undertakings.

The account is concerned with investment, in shares of industrial and commercial concerns and loans and advances given to the rest of the economy.

Item 1 Investment in shares include investments in the share Capital of industrial, Commercial undertakings of state and Central Government, co-operative concerns and other concerns operated by private individuals

Item 2.1. Loans and advances for capital formation include loans given for creation of capital assets like construction of irrigation works etc.

Item 2.2. Loans and advances for current consumption are those which are meant for current consumption.

Item 4. Repayment of loans has not been shown separately for loans for capital formation and loans for current consumption since it is assumed that repayments have been made from current income and not out of Capital.

Item 5 Balance showing the net increase in financial assets adds to the deficit in account 3 to give the financial requirements of the State Government for fixed assets formation and for the accumulation of financial claims against the rest of the economy.

Account 5 Changes in Financial Liabilities: Capital Accounts of Assam Government Administration and Departmental Commercial Undertakings.

This account is concerned with the borrowing operations of the State Government. Incoming represent the increase in financial liabilities and outgoing measures the reduction in liabilities

Account 6 Cash and Capital Reconciliation Account of Assam Government Administration and Departmental Commercial Undertakings. This account sums up the net position concerning the accounts 3,4 and 5 showing the effect of all transactions of the State Government on its cash position. As before noted, account 3 sums up the net position in respect of all (real) transaction in goods and services and all transfers while accounts 4 and 5 bring out the net position in respect of financial assets and financial liabilities respectively.

E Reconciliation: —

A reconciliation of the figures of receipts and expenditure in the Financial Statement of the Assam Government Budget and in the economic classification is given in statement below.

STATEMENT 12**1. Current Account Revenue**

(Rs. in lakhs)

Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
Current Account			
Revenue—			
1. Revenue as shown in the financial statement	20200.68	10586.82	23236.46
2. Less			
2.1 Estate duty transferred to Account 3.	20.93	22.00	20.00
2.2 Sale of land and property	2.15	0.65	1.25
2.3 Sale of commodities and services treated as deduction of consumption expenditure	260.48	174.62	223.58
2.4 Grants for capital formation transferred to Account 3.	851.15	817.05	1125.45
2.5 Open market loans	—	—	—
2.6 Interest on the cash Balance Investment Account.	—	—	—
2.7 Receipts of the commercial undertakings transferred to Account 2.	700.67	686.62	745.45
2.8 Interest receipts from departmental commercial undertakings.	—	—	—
3. Add			
3.1 Profit transferred by commercial undertakings	200.35	149.17	14.79
3.2 Other Miscellaneous adjustments	(—) 4.00	(—) 1.50	(—) 1.50
4. Total adjustments	(—) 1639.03	(—) 1555.27	(—) 2102.44
5. Current revenue of the Government Administration	18561.65	19033.55	21134.02

STATEMENT 13

2. Current Account Expenditure

Rs. in lakhs)

Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Current Account expenditure. Revenue expenditure as shown in the Financial Statement	17936.23	19938.59	21134.86
2. Less:			
2.1 Sale of commodities & Services treated as deduction on consumption expenditure	260.48	174.62	223.58
2.2 Appropriation for Reduction or avoidance of debt			
2.3 Interest receipts from departmental commercial undertakings.			
2.4 Interest on cash balance Investment Account		—	
2.5 Expenditure of capital nature in the Revenue Account.	123.67	130.48	133.48
2.6 Current expenditure of the Depart mental commercial undertakings	607.00	702.14	953.58
2.7 Inter Account transfers eliminated		—	
2.8 Transfer to funds (after adjustments for transfer from funds)		—	
3. Add:—			
3.1 Revenue expenditure transferred from capital account.	243.42	436.82	343.63
3.2. Other miscellaneous Adjustments.	209.98	307.60	418.82
4. Total Adjustments.	(—) 537.75	(—) 262.82	(—) 548.19
5. Current expenditure of Government administration as shown in the economic classification	17398.48	19675.77	20586.67

STATEMENT 14**3. Capital Account**

(Rs. in Lakhs)

Item	1975-76 (Actual)	1976-77 (Revised)	1977-78 (Budget)
1	2	3	4
1. Capital Expenditure as shown in the financial Statement.	5499.77	7342.15	10523.66
2. Less:-			
2.1 Financial investment in Government and other concern	347.66	403.76	270.39
2.2. Expenditure of revenue nature transferred to Account 1.	243.42	436.82	343.63
2.3. Expenditure of revenue nature transferred to Account 2.	103.30	142.91	195.90
2.4. Inter State Settlement	—	10.00	1.00
2.5 Appropriation to contingency fund	—	300.00	—
2.6. Loans and advances	1116.39	1315.41	3689.52
2.7 Public Debt	1602.70	2242.60	2656.12
3. Add.			
3.1 Portion of expenditure transferred to revenue account.	—	—	—
3.2. Write back of grants to the revenue account.	—	—	—
3.3 Capital expenditure brought over from revenue account.	14.22	38.70	78.00
3.4. Capital expenditure brought over from departmental commercial undertakings in the revenue account.	109.45	91.78	55.48
3.5 Transferred from funds after adjustment for transfer to funds	—	—	—
3.6. Transfer to loans and advances	—	—	—
3.7. Recoveries treated as receipts.	—	—	—
4. Total adjustments.	— 3289.86	() 4726.02	— 7023.08
5. Total capital expenditure as shown in the economic classification.	2209.91	2616.13	3500.58

PART II

PUPRPOSE CLASSIFICATION

4. DESCRIPTION OF PURPOSE CLASSIFICATION

1. The purpose classification is designed to group the expenditure of Assam Government budget according to the purposes for which it is spent. The economic classification classifies these items of expenditures by their economic character while the purpose classification groups those items of expenditures according to the actual purpose they serve.

2. For the purpose classification, all items of expenditures are grouped under appropriate categories irrespective of their manner of presentation in the budget statement. Items which relate to more than one purpose are first divided on the basis of detail given in the budget statement and then grouped into appropriate categories. The current expenditure on goods and service of the departmental commercial undertaking are excluded from this study as these are intermediate expenditure which represent cost of production and not expenditure on final goods and services.

3. For the purpose of classification the activities have been divided into four major groups with a number of sub-groups within each major group. The four major groups are (1) General services, (2) Social and community services, (3) Economic services and (4) Other purposes.

3.1. General services under group 1 cover the services such as police, general administration, judiciary, pensions, elections, etc., which are essential for the administration of the State.

3.2. Social and community services under group 2 relate to social services to the community such as sanitation, water supply, education, medical, public health etc.

3.3. Economic services under group 3 cover the economic activities or assistance provided to the various agencies in the sphere of production and trade such as agriculture industry etc.,

3.4. The group other purposes under group 4 relate to certain types of expenditure which cannot be related to specific purposes. It includes certain grants, current transfer payments & repayment of public debt.

4. Table 1 presents the purpose classification of Assam Government expenditure for the years 1975-76 (actual), 1976-77 (revised) and 1977-78 (budget).

Table 2 Shows the percentage distribution of expenditure under the various purpose heads.

5. It will be seen that in the years 1975-76 and 1976-77 the expenditures under purpose groups 'Social and Community Services' and 'Economic Services' constitute almost identical proportions (33 to 34 per cent) followed by 'General Services' and Education'. In 1977-78 the proportion of budgetted expenditure for 'Economic Services' is much higher (42 per cent) than that for 'Social and community Services' (28 per cent), 'General Services' and Education' follow as in the other two years, but the percentage share of expenditure under 'Water and Power Development' has gone up considerably (16 percent compared with the same for the preceding two years 7 percent in 1975-76 and 9 percent in 1976-77).

TABLE—1**Purpose Classification of Assam Government Expenditure**

(Rs. in Lakhs)

Sl. No.	Services	Actual 1975-76	Revised 1976-77	Budget 1977-78
1	2	3	4	5
1.	General Services	5620.53	6532.90	6798.11
2.	Social and Community Services	7669.30	8268.63	8410.24
2.1	Education	4689.99	4949.92	5110.19
2.2	Medical, Family Planning, Public Health, Sanitation and Water Supply	1734.52	1930.85	2059.24
2.3	Housing and Urban Development	383.65	453.27	411.19
2.4	Social Security and Welfare	495.22	486.60	443.02
2.5	Others	365.92	447.99	386.60
3.	Economic Services	7418.05	8858.90	12584.73
3.1	Agriculture and Allied Activities	2336.43	2569.21	3186.36
3.2	Industry and Minerals	775.70	799.70	695.12
3.3	Water and Power Development	1612.91	2341.66	4925.31
3.4	Transport and Communication	1649.90	1902.52	2213.97
3.5	Other Economic Service	1043.11	1245.81	1563.97
4.	Other Purposes	1967.16	2398.74	2409.66
Total		22675.04	26059.17	30202.74

TABLE - 2**Purpose Classification of Assam Government Expenditure (Percentage Distribution)**

Sl. No.	Services	Actual 1975-76	Revised 1975-77	Budget 1977-78
1	2	3	4	5
1.	General Services	24.79	25.07	22.51
2.	Social and Community Services	33.82	31.73	27.85
2.1	Education	20.68	18.99	16.92
2.2	Medical, Family Planning, Public Health, Sanitation and Water Supply	7.65	7.41	6.82
2.3	Housing and Urban Development	1.69	1.74	1.36
2.4	Social Security and Welfare	2.18	1.87	1.47
2.5	Others	1.62	1.72	1.28
3.	Economic Services	32.71	33.99	41.66
3.1	Agriculture and Allied Activities	10.30	9.85	10.54
3.2	Industry and Minerals	3.42	3.07	2.30
3.3	Water and Power Development	7.11	8.99	16.31
3.4	Transport and Communication	7.28	7.30	7.33
3.5	Other Economic Services	4.60	4.78	5.18
4.	Other purposes	8.68	9.21	7.98
Total		100.00	100.00	100.00

PART III
ECONOMIC-CUM-PURPOSE CLASSIFICATION

DESCRIPTION OF AN ECONOMIC-CUM-PURPOSE CLASSIFICATION

1. In this part both the economic and purpose classification presented in part I and part II are combined into a two way cross classification in order to provide additional information on the role of Assam Government's transactions in the States' economy. This classification, thus shows how expenditure for a particular purpose say health economic significance such as consumption expenditure, capital formation, current transfer & capital transfer and loans. Conversely this classification also shows how expenditure belonging to a particular economic category say, capital formation is designed to serve different purposes.

2. In the cross classification of Assam Government Budget columns correspond to the economic categories while the rows indicate their purpose characters.

Table 3.1, 3.2 and 3.3 Present the economic-cum-purpose classification for 1975-76 (actual), 1976-77 (revised) and 1977-78 (Budget) respectively.

TABLE—3.1

**An Economic-Cum-Purpose Classification of Assam Government Budgetary
Expenditure for 1975-76 (Actual)**

(Rs. Lakhs)

Economic Classification/ Purpose Classification	Current Expenditure				Transfer Payment		
	Consumption Expenditure						
	Salaries and wages	Goods and Services	Less out side sale	Net Consum- ption Expen- diture	Interest	Grants to local bodies	Grants to others
1	2	3	4	5	6	7	8
1. General Services	1993	1205	187	3011	2495	—	3
2. Social and Community Services	1212	1953	8	3157	—	125	3012
2.1 Education	444	895	—	1339	—	54	2931
2.2 Medical and Public Health	634	737	7	1364	—	1	23
2.3 Housing and Urban Development	24	124	—	148	—	52	16
2.4 Social Security & Welfare	30	119	—	149	—	17	41
2.5 Others	80	78	1	157	—	1	1
3. Economic Services	1140	2928	65	4004	—	34	279
3.1 Agriculture and Allied activities	726	1024	65	1686	—	3	260
3.2 Industry and Minerals	135	117	—	252	—	1	9
3.3 Water and power development	47	647	—	694	—	—	—
3.4 Transport and Communication	37	1007	—	1044	—	6	7
3.5 Other Economic Services	195	133	—	328	—	24	3
4. Other Services	—	—	—	—	—	364	—
Grand Total	4345	6087	260	10172	2495	523	3294

TABLE 3.1 (contd.)

**An Economic-cum-Purpose Classification of Assam Government Budgetary
Expenditure for 1975-76 (Actual)**

(Rs. Lakhs)

Economic Classification Purpose Classification	Current expenditure			Capital expenditure				
	Transfer Payment			Gross capital formation				
	Subsidies	Income account of households	Total transfer payment	Total current expenditure	Buildings and other construction	Machinery and equipment	Net increase in stocks	Grants for capital formation to local bodies
	9	10	11	12	13	14	15	16
1. General Services	—	44	2542	5553	80	57	(—) 69	—
2. Social and Community Services	18	711	3866	7023	400	64	50	—
2.1 Education	—	282	3267	4606	67	11	—	—
2.2 Medical and Public Health	—	8	32	1396	216	50	50	—
2.3 Housing and Urban development	18	—	86	234	105	2	—	—
2.4 Social Security and Welfare	—	255	313	462	8	1	—	—
2.5 Others	—	166	168	325	4	—	—	—
3. Economic Services	134	8	455	4459	1431	162	34	—
3.1 Agriculture and Allied activities	1	7	271	1957	100	64	17	—
3.2 Industry and Minerals	7	1	18	270	19	30	—	—
3.3 Water and Power development	—	—	—	694	669	31	8	—
3.4 Transport and Communication	—	—	13	1057	544	37	9	—
3.5 Other Economic Services	126	—	153	481	99	—	—	—
4. Other Services	—	—	364	364	—	—	—	—
Grand Total	152	763	7227	17399	1911	283	15	—

TABLE—3·1 (Contd.)

**An Economic-cum-Purpose Classification of Assam Government Budgetary
Expenditure for 1975-76 (Actual)**

Economic Classification Purpose Classification	Capital Expenditure						
	Capital transfer	Loans and Advances					Grand total
		Investment in shares	Capital formation	Current consumption	Repayment of public debt	Total capital expen- diture	
	17	18	19	20	21	22	23
1. General Services	—	—	—	—	—	68	5621
2. Social and Community Services	—	—	127	6	—	647	7670
2.1 Education	—	—	—	6	—	84	4690
2.2 Medical and Public Health	—	—	24	—	—	340	1736
2.3 Housing and Urban Development	—	—	42	—	—	149	383
2.4 Social Security and Welfare	—	—	24	—	—	32	494
2.5 Others	—	—	37	—	—	41	366
3. Economics Services	—	348	562	422	—	2959	7418
3.1 Agriculture and Allied Activities	—	50	—	150	—	381	2338
3.2 Industry and Minerals	—	134	323	—	—	506	776
3.3 Water and Power Development	—	—	210	—	—	918	1612
3.4 Transport and Communication	—	2	—	—	—	592	1649
3.5 Other Economic Services	—	162	29	272	—	562	1043
4. Other Services	—	—	—	—	1602	1602	1966
Grand Total	—	348	689	428	1602	5276	22675

TABLE 3.2

**An Economic-cum-Purpose Classification of Assam Government
Budgetary Expenditure for 1976-77 (Revised)**

(Rs. in Lakhs)

Economic Classification	Current Expenditure						
	Consumption Expenditure				Transfer Payment		
	Salaries and Wages	Goods and Services	Less out side sale	Net consumption Expenditure	Interest	Grants to local bodies	Grants to others
Purpose Classification							
1	2	3	4	5	6	7	8
1. General Services	2379	1174	88	3465	2830	—	19
2. Social and Community Services	3100	1713	22	4791	—	249	1969
2.1 Education	2233	375	—	2608	—	107	1894
2.2 Medical, Public Health etc	661	936	22	1575	—	—	23
2.3 Housing and Urban Development	23	128	—	151	—	62	—
2.4 Social Security and Welfare	95	188	—	283	—	32	52
2.5 Others	88	86	—	174	—	48	—
3. Economic Services	1253	3738	65	4926	—	41	232
3.1 Agriculture and Allied Activities	709	1351	65	1995	—	22	208
3.2 Industry and Minerals	170	171	—	341	—	—	9
3.3 Water and Power Development	126	763	—	889	—	—	6
3.4 Transport and Communication	31	1120	—	1151	—	4	8
3.5 Other Economic Services	217	333	—	550	—	15	1
4. Other Services	—	46	—	46	—	310	—
Grand Total	6732	6671	175	13228	2830	600	2229

TABLE 3-2 (Contd.)

Aa Economic-cum-Purpose Classification of Assam Government Budgetary Expenditure for 1976-77 (Revised).

(Rs. in Lakhs)

Economic Classification Purpose Classification	Current Expenditure			Gross capital formation.			
	Transfer Payment			Total current expen- diture	Buildings and other construc- tion	Machinery and equip- ments	Net increase in stocks
	Subsidies	Income Account of house hold	Total transfer Payment				
1	9	10	11	12	13	14	15
1. General Services	..	42	2891	6356	96	86	(—)6
2. Social and Community Services	..	475	2693	7484	443	108	40
2.1 Education	...	263	2264	4872	51	24	—
2.2 Medical, Public Health etc.	...	9	32	1607	193	76	40
2.3 Housing and Urban Development	...	...	62	213	171	6	.
2.4 Social Security and Welfare	...	59	143	426	22	1	...
2.5 Others	...	144	192	366	6	1	—
3. Economic Services	265	15	553	5479	1598	204	29
3.1 Agriculture and Allied Activities	...	12	242	2286	150	67	1
3.2 Industry and Minerals	7	3	19	361	60	29	—
3.3 Water and Power Development	...	...	6	895	679	85	28
3.4 Transport and Communication	...	..	12	1162	693	23	—
3.5 Other Economic Services	258	...	274	825	16	—	—
4. Other Services	...	...	310	356	..	—	—
Grand Total	265	532	6447	19679	2137	398	63

TABLE 3·2 (Contd.)

An Economic-cum-Purpose Classification of Assam Government Budgetary Expenditure.
1976-77 (Revised).

(Rupees in lakhs)

Economic Classification Purpose Classification	Capital transfer		Loans and Advances				Total capital expenditure	Grand Total
	Grants to local bodies	Other capital transfer	Investment in shares	Capital forma- tion	Current consump- tion	Repayment of public debt		
	16	17	18	19	20	21	22	23
1. General Services	176	6532
2. Social and Community Services	189	4	..	784	8268
2.1 Education.	4	..	79	4951
2.2 Medical, Public Health etc.	15	..	..	324	1931
2.3 Housing and Urban Development.	62	..	..	239	452
2.4 Social Security and Welfare.	37	..	..	60	486
2.5 Others	75	..	..	82	448
3. Economic Services	..	18	409	947	176	..	3382	8860
3.1 Agriculture and Allied Activities.	115	..	..	..	332	2569
3.2 Industry and Minerals	114	237	..	..	440	801
3.3 Water and Power Development.	655	..	..	1447	2342
3.4 Transport and Communi- cation.	..	18	7	..	..	..	741	1903
3.5 Other Economic Services	173	55	176	..	420	1245
4. Other Services	2043	2043	2399
Grand Total—	..	18	409	1136	180	2043	6384	26059

TABLE—3.3

**An Economic-cum-Purpose Classification of Assam Government Budgetary Expenditure
for 1977-78 Budget)**

(Rs. in Lakhs)

Economic Classification. Purpose Classification	Current Expenditure						
	Consumption		expenditure		Transfer	Payment	
	Salaries and Wages	Goods and Services	Less out- side sale	Net con- sumption expen- diture	Interest	Grants to local bodies	Grants to others
1	2	3	4	5	6	7	8
1. General Services	2546	1217	143	3620	2900	..	4
2. Social and Community Services	3164	1964	10	5118	..	112	2117
2.1 Education	2314	577	..	2891	..	65	1948
2.2 Medical and Public Health	665	135	10	1590	..	4	19
2.3 Housing and Urban Development	26	112	..	138	..	26	41
2.4 Social Security and Welfare	58	259	..	317	..	17	64
2.5 Others	101	81	..	182	..	..	45
3. Economic Services	1382	4171	70	5483	..	41	270
3.1 Agriculture and Allied Activities	814	1640	69	2385	..	11	242
3.2 Industry and Minerals	175	211	..	386	..	..	22
3.3 Water and Power Development	118	758	1	875	..	..	..
3.4 Transport and Communication	35	1237	..	1272	..	4	3
3.5 Other Economic Services	240	325	..	565	..	26	3
4. Other Services	..	..	..	..	..	254	..
Grand Total	7092	7352	223	14221	2900	407	2391

TABLE—3.3 ((Contd.)

An Economic-cum-Purpose Classification of Assam Government Budgetary Expenditure for 1977-78 (Budget)

(Rs. Lakhs)

Economic Classification	Current Expenditure				Capital Expenditure			
	Transfer Payment			Total current expenditure	Gross capital formation			Grants for capital formation to local bodies
	Subsidies	Income account of households	Total transfer payment		Buildings and other construction	Machinery and equipment	Net increase in stocks	
Purpose Classification	9	10	11	12	13	14	15	16
1. General Services	..	52	2956	6576	160	68	(—)6	..
2. Social and Community Services	11	252	2492	7611	481	120	85	..
2.1 Education	..	90	2103	4994	94	18	..	..
2.2 Medical and Public Health	1	..	24	1614	206	93	85	..
2.3 Housing and urban development	10	..	77	216	161	6	..	..
2.4 Social Security and Welfare	..	29	110	427	10	1	..	..
2.5 Others	..	135	178	360	10	2	..	..
3. Economic Services	327	25	663	6146	1931	262	4	4
3.1 Agriculture and Allied Activities	..	23	276	2661	344	118	(—)2	..
3.2 Industry and Minerals	3	2	27	413	45	23	..	..
3.3 Water and Power Development	..	..	..	875	920	24	6	..
3.4 Transport and Communication	..	..	7	1279	446	97	..	..
3.5 Other Economic Services	324	..	353	918	176	..	..	4
4. Other Services	..	..	254	254	..	..	..	..
Grand Total	338	330	6365	20587	2572	450	83	4

TABLE 3.3 (concl'd)

**An Economic-cum-Purpose Classification of Assam Government Budgetary
Expenditure for 1977-78 (Budget)**

		(Rs Lakhs)						
Economic Classification	Purpose Classification	Capital Expenditure						Grand total
		Capital transfer	Investment in shares	Loans and Advances		Repayment of public debt	Total capital expenditure	
		Other capital transfers		Capital formation	Current consumption			
		17	18	19	20	21	22	23
1. General Services		—	—	—	—	—	222	6798
2. Social and Community Services		—	—	109	4	—	799	8409
2.1 Education		—	—	—	4	—	116	5110
2.2 Medical and Public Health		—	—	61	—	—	445	2059
2.3 Housing and Urban Development		—	—	28	—	—	195	411
2.4 Social Security and Welfare		—	—	5	—	—	16	443
2.5 Others		—	—	15	—	—	27	387
3. Economic Services		391	270	3318	258	—	6438	12585
3.1 Agriculture and Allied Activities		—	65	—	—	—	525	3186
3.2 Industry and Minerals		—	55	158	—	—	281	694
3.3 Water and Power Development		—	—	3100	—	—	4050	4925
3.4 Transport and Communication		391	2	—	—	—	936	2215
3.5 Other economic Services		—	148	59	258	—	647	1565
4. Other Services		—	—	—	—	2156	2156	2410
Grand Total		391	270	3427	262	2156	9615	30202

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